



Calvin S. Hawkins, II
Chair
At-Large Council Member

March 9, 2021

The Hon. Joanne C. Benson, Chair
Prince George's County Senate Delegation
James Senate Office Building, Room 214
Annapolis, Maryland 21401-1991

The Hon. Erek L. Barron, Chair
Prince George's County House Delegation
Lowe House Office Building, Room 207E
Annapolis, Maryland 21401-1991

Re: The County Council's support for strong MBE provisions in House Bill 940 and all enacted Sports Wagering and Fantasy Gaming Legislation

Dear Senator Benson & Delegate Barron:

On behalf of the Prince George's County Council, I would like to express my appreciation of your efforts thus far during the 2021 Legislative Session of the Maryland General Assembly. With crossover quickly approaching, we know that our Senate and House Delegations are working diligently to benefit the citizens of our great County. One of the extremely important issues under consideration this session is the expansion of gaming. We appreciate the amount of time and effort that has been focused on House Bill 940, sponsored by Speaker Jones. The amendments passed recently by the House Ways and Means Committee take some important steps to provide opportunities for the participation of minority and women-owned business enterprises (M/WBE's) in the establishment of the sports wagering industry in the state. However, the bill does not go far enough to maximize these opportunities and to ensure that the interests of the M/WBE's are protected.

While we are encouraged by the amendments providing five additional Class B sports wagering facility licenses and five additional Mobile sports wagering licenses, the Council urges that these additional licenses be designated for M/WBE's. The designation of these licenses will ensure the participation of M/WBE's at the ownership level. It is also our understanding that HB 940, as currently amended, requires the Sports Wagering Application Review Commission (SWARC) to establish regulations for scoring applications subsequent to the enactment of the legislation. The scoring system should be specifically enumerated in the legislation to ensure that this system will provide the appropriate level of attention to the goals related to the interests of M/WBE's.

On November 3, 2020, an overwhelming majority of the residents of the State of Maryland supported passage of a referendum confirming the expansion of online gaming in Maryland. Therefore, it is reasonable to conclude that any legislation that approves gaming expansion should benefit all citizens of the State of Maryland. In 2017, the disparity study commissioned by the Maryland Department of Transportation (MDOT) concluded that statistically significant disparities exist for M/WBEs in those factors necessary for business success, and evidence supported the conclusion that affirmative intervention is still needed to dismantle the exclusion of racial and gender groups from the private sector market. In October of 2020 (at MDOT's request), the same consultant determined that the results of the 2017 disparity study also apply to the type of work that will likely be performed by approved licensees with respect to the proposed Expansion of Commercial Gaming in HB 940. As a result of this updated analysis and recent data related to casino and lottery operations, the State of Maryland has a strong basis for implementing significant corrective measures to address the clear disparity in access to ownership in the gaming industry by M/WBE's.

In 2019, casinos in Maryland generated over \$1 billion in revenue for the owners, while M/WBE contractors and M/WBE vendors doing business with gaming owners and their companies received less than 1% of the total revenue generated by those gaming companies during that period. In that same year, Prince George's County residents and Baltimore City residents spent \$348 million and \$281 million, respectively, on the Maryland Lottery. Based on the realities illustrated by this type of data, the County Council strongly encourages the Senate and House Delegations to continue to fight for M/WBE participation and ownership in the gaming industry proposed in HB 940.

Therefore, the Prince George's County Council respectfully requests that the Prince George's County Senate and House Delegations lead the efforts to further amend House Bill 940 to encourage and significantly support participation and ownership by Minority and Women-Owned Business Enterprises in the expansion of gaming in the state of Maryland. For example, the governing body of Baltimore City and Prince George's County should be allowed to appoint one representative from each jurisdiction to serve on the Sports Wagering Application Review Commission (SWARC). The Council stands ready to assist in the development of specific amendments, and I am available to discuss at your convenience.

Sincerely,



Calvin S. Hawkins, II
Chair

cc: Hon. Angela D. Alsobrooks, Prince George's County Executive